

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

DIVISION OF WATER

Wastewater Discharge Authorization Program

SEAN PARNELL, GOVERNOR

555 Cordova Street
Anchorage, AK 99501-2617

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<http://www.state.ak.us/dec/>

July 26, 2010

Certified Mail 7008-1830-0003-5208-2281

Janet Carlisle
Subsistence Placers LLC
P.O. Box 322
Nome, AK 99762

Subject: Norton Sound, Subsistence Placers LLC, Suction Dredge
Reference No. POA-2009-614
State ID No. AK 1006-01AA

Dear Ms. Carlisle:

In accordance with Section 401 of the Federal Clean Water Act of 1977 and provisions of the Alaska Water Quality Standards, the Department of Environmental Conservation is issuing the enclosed Certificate of Reasonable Assurance for the extraction of gold from the ocean floor using a suction dredge.

Department of Environmental Conservation (DEC) regulations provide that any person who disagrees with this decision may request an informal review by the Division Director in accordance with 18 AAC 15.185 or an adjudicatory hearing in accordance with 18 AAC 15.195 – 18 AAC 15.340. Informal review requests must be delivered to the Director, Division of Water, 555 Cordova St., Anchorage, AK 99501, within 15 days of the permit decision. Visit <http://www.dec.state.ak.us/commish/ReviewGuidance.htm> for information on Administrative Appeals of Department decisions.

Adjudicatory hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, 410 Willoughby Avenue, Suite 303, PO Box 111800, Juneau, AK 99811-1800, within 30 days of the permit decision. If a hearing is not requested within 30 days, the right to appeal is waived.

By copy of this letter we are advising the Corps of Engineers and Division of Coastal and Oceans Management of our actions and enclosing a copy of the certification for their use.

Sincerely,


Sharon R. Morgan
Environmental Program Manager

Enclosure
cc: (with encl.)
Serena Sweet, USACE, Anchorage
Heather Dean, EPA, AK Operations
Jim Renkert, DNR/DCOM, Anchorage

Sean Palmer, ADEC Anchorage
Mac McLean, ADF&G/Habitat, Fairbanks
NMFS, Alaska District, Northwest

STATE OF ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
CERTIFICATE OF REASONABLE ASSURANCE

A Certificate of Reasonable Assurance, in accordance with Section 401 of the Federal Clean Water Act and the Alaska Water Quality Standards, is issued to Subsistence Placers LLC, P.O. Box 322, Nome, AK 99762 to conduct a suction dredge mining operation in the waters of Norton Sound using a 10-inch hose powered by a 120 horsepower engine. The total volume of material proposed to be disturbed is approximately 14,000 cubic yards in an area totaling approximately 2.5 acres. The dredging operation will be at depths which are less than 20 feet with the exception of one area which is greater than 20 feet.

The proposed activity is located within Sections:

Sections 7, 8, 15-18, 22 and 23, Township 12 South, Range 32 West;
Sections 2, 4, 5, 11 and 12, Township 12 South, Range 33 West;
Sections 4, 5, 8 and 9, Township 12 South, Range 34 West;
Sections 31 and 32, Township 11 South, Range 33 West;
Sections 19 and 27-34, Township 11 South, Range 34 West;
Sections 7-10 and 14-16, Township 11 South, Range 36 West;
Sections 1, 2, 11 and 12, Township 11 South, Range 37 West;
Kateel River Meridian near Nome, Alaska.

Public notice of the application for this certification was given as required by 18 AAC 15.180.

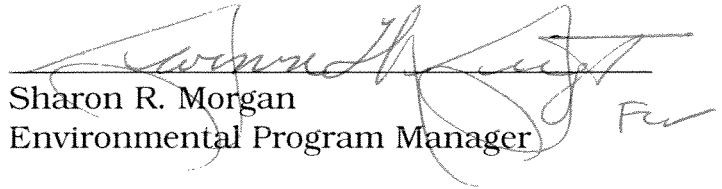
Water Quality Certification is required under Section 401 because the proposed activity will be authorized by a Corps of Engineers permit, reference number POA-2009-614, and a discharge may result from the proposed activity.

Having reviewed the application and comments received in response to the public notice, the Alaska Department of Environmental Conservation certifies that there is reasonable assurance that the proposed activity, as well as any discharge which may result, will comply with applicable provisions of Section 401 of the Clean Water Act and the Alaska Water Quality Standards, 18 AAC 70, provided that the following alternative measures are adhered to.

1. Reasonable precautions and controls must be used to prevent incidental and accidental discharge of petroleum products or other hazardous substances. Material such as sorbent pads shall be available and used immediately to contain and cleanup oil, fuel, hydraulic fluid, antifreeze or other pollutant spills as a result of construction activities.
2. Fuel storage and handling activities for dredge equipment must be sited and conducted so there is no petroleum contamination of the water.

This certification expires five (5) years after the date the certification is signed. If your project is not completed by then and work under Corps of Engineers Permit will continue, you must submit an application for renewal of this certification no later than 30 days before the expiration date (18 AAC 15.100).

Date 7/26/2010


Sharon R. Morgan
Environmental Program Manager



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

Regulatory Division (1145)
CEPOA-RD
Post Office Box 6898
Elmendorf AFB, Alaska 99506-0898

PUBLIC NOTICE DATE: May 28, 2010
EXPIRATION DATE: June 28, 2010
REFERENCE NUMBER: POA-2009-614
WATERWAY: Norton Sound

Interested parties are hereby notified that a Department of the Army permit application has been received for work in waters of the United States as described below and shown on the enclosed project drawings.

Comments on the described work, with the reference number, should reach this office no later than the expiration date of this Public Notice to become part of the record and be considered in the decision. Please contact Serena Sweet at (907) 753-2819, toll free from within Alaska at (800) 478-2712, by fax at (907) 753-5567, or by email at serena.e.sweet@usace.army.mil if further information is desired concerning this notice.

APPLICANT: Subsistence Placers LLC, Post Office Box 322, Nome, Alaska 99762.

LOCATION: The project site is located within the sections listed below in the Kateel River Meridian; USGS Quad Maps Nome B-1, C-1 and C-2; Latitude 64.4818° N., Longitude -165.2815° W. within near Nome, Alaska

Township 12 S., Range 32 W.: Sections 7, 8, 15-18, 22 and 23
Township 12 S., Range 33 W.: Sections 2, 4, 5, 11 and 12
Township 12 S., Range 34 W.: Sections 4, 5, 8, and 9
Township 11 S., Range 33 W.: Sections 31 and 32
Township 11 S., Range 34 W.: Sections 19, and 27-34
Township 11 S., Range 36 W.: Sections 7-10 and 14-16
Township 11 S., Range 37 W.: Sections 1, 2, 11 and 12

PURPOSE: The applicant's stated purpose is to extract gold by suction dredging on the ocean floor for commercial profit.

PROPOSED WORK: Suction dredge with a 10-inch hose and reclaim 14,000 cubic yards in an area totaling approximately 2.5 acres in size. The depths at all proposed suction dredging sites (with the exception of ADL 598751 on Map B) is less than 20-feet. The depth at ADL 598751 would be greater than 20-feet. Dredged material will be discharged back into previously mined areas and would match the contour of the ocean floor.

All work would be performed in accordance with the enclosed plan (sheets 1-6), dated May 2010.

ADDITIONAL INFORMATION: The applicant had also submitted a "State of Alaska, Multi-Agency Permit Application (APMA) for Suction Dredge Operations" (Application Number: F109951).

APPLICANT PROPOSED MITIGATION: Reclamation occurs in conjunction with the suction dredge work, as sediments are returned to the ocean floor in approximately the same location on the ocean floor, as work progresses. Accordingly, no mitigation is proposed by the applicant.

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued until a certification or waiver of certification, as required under Section 401 of the Clean Water Act (Public Law 95-217), has been received from the Alaska Department of Environmental Conservation.

COASTAL ZONE MANAGEMENT ACT CERTIFICATION: Section 307(c)(3) of the Coastal Zone, Management Act of 1972, as amended by 16 U.S.C. 1456(c)(3), requires the applicant to certify the described activity affecting land or water uses in the Coastal Zone complies with the Alaska Coastal Management Program. A permit will not be issued until the Division of Coastal and Ocean Management, Department of Natural Resources has concurred with the applicant's certification.

CULTURAL RESOURCES: The latest published version of the Alaska Heritage Resources Survey (AHRS) has been consulted for the presence or absence of historic properties, including those listed in or eligible for inclusion in the National Register of Historic Places. There are no listed or eligible properties in the vicinity of the worksite. Consultation of the AHRS constitutes the extent of cultural resource investigations by the District Commander at this time, and he is otherwise unaware of the presence of such resources. This application is being coordinated with the State Historic Preservation Office (SHPO). Any comments SHPO may have concerning presently unknown archeological or historic data that may be lost or destroyed by work under the requested permit will be considered in our final assessment of the described work.

ENDANGERED SPECIES: The project area is within the known or historic range of the Polar Bear (*Ursus maritimus*). We have preliminarily determined the activity would have no effect on the species' or its designated critical habitat, as defined under the Endangered Species Act of 1973 (87 Stat. 844). This application is being coordinated with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service (NMFS). Any comments they may have concerning endangered or threatened wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

ESSENTIAL FISH HABITAT: The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996, requires all Federal agencies to consult with the NMFS on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH). The project area is within the known range of the Chinook, Chum, Coho, Pink and Sockeye Salmon. Preliminarily, we have determined the described activity would not adversely affect EFH in the project area.

TRIBAL CONSULTATION: The Alaska District fully supports tribal self-governance and government-to-government relations between Federally recognized Tribes and the Federal government. Tribes with protected rights or resources that could be significantly affected by a proposed Federal action (e.g., a permit decision) have the right to consult with the Alaska District on a government-to-government basis. Views of each Tribe regarding protected rights and resources will be accorded due consideration in this process. This Public Notice serves as notification to the Tribes within the area potentially affected by the proposed work and invites their participation in the Federal decision-making process regarding the protected Tribal right or resource. Consultation may be initiated by the affected Tribe upon written request to the District Commander during the public comment period.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, reasons for holding a public hearing.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impacts including cumulative impacts of the proposed activity and its intended use on the public interest. Evaluation of the probable impacts, which the proposed activity may have on the public interest, requires a careful weighing of all the factors that become relevant in each particular case. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. The outcome of the general balancing process would determine whether to authorize a proposal, and if so, the conditions under which it will be allowed to occur. The decision should reflect the national concern for both protection and utilization of important resources. All factors, which may be relevant to the proposal, must be considered including the cumulative effects thereof. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Commander determines that it would be contrary to the public interest.

The Corps of Engineers is soliciting comments from the public; Federal, State, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

AUTHORITY: This permit will be issued or denied under the following authorities:

(X) Perform work in or affecting navigable waters of the United States - Section 10 Rivers and Harbors Act 1899 (33 U.S.C. 403).

(X) Discharge dredged or fill material into waters of the United States - Section 404 Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).

Project drawings, Notice of Application for Certification of Consistency with the Alaska Coastal Management Program, and Notice of Application for State Water Quality Certification are enclosed with this Public Notice.

District Commander
U.S. Army, Corps of Engineers

Enclosures

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES DIVISION OF COASTAL AND OCEAN MANAGEMENT

DIVISION OF COASTAL AND OCEAN MANAGEMENT
550 WEST 7TH AVENUE, SUITE 705
ANCHORAGE, ALASKA 99501-3559
PHONE: (907) 269-7470/FAX: (907) 269-3981

NOTICE OF APPLICATION FOR CERTIFICATION OF CONSISTENCY WITH THE ALASKA COASTAL MANAGEMENT PROGRAM

Notice is hereby given that a request is being filed with the Division of Coastal and Ocean Management for a consistency determination, as provided in Section 307(c)(3) of the Coastal Zone Management Act of 1972, as amended [16 U.S.C. 1456(c)(3)], that the project described in the Corps of Engineers Public Notice No. POA-2009-614, Norton Sound, will comply with the Alaska Coastal Management Program and that the project will be conducted in a manner consistent with that program.

This project is being reviewed for consistency with the Alaska Coastal Management Program. Written comments about the consistency of the project with the applicable ACMP statewide standards and district policies must be submitted to the Division of Coastal and Ocean Management (DCOM). For information about this consistency review, contact DCOM at the address or phone number above, or visit the ACMP web site at <http://www.alaskacoast.state.ak.us//Projects/projects.html>.

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER
401 Certification Program
Non-Point Source Water Pollution Control Program

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
WQM/401 CERTIFICATION
555 CORDOVA STREET
ANCHORAGE, ALASKA 99501-2617
PHONE: (907) 269-7564/FAX: (907) 334-2415

NOTICE OF APPLICATION FOR STATE WATER QUALITY CERTIFICATION

Any applicant for a federal license or permit to conduct an activity that might result in a discharge into navigable waters, in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the Alaska Department of Environmental Conservation that the discharge will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. By agreement between the U.S. Army Corps of Engineers and the Department of Environmental Conservation, application for a Department of the Army permit to discharge dredged or fill material into navigable waters under Section 404 of the Clean Water Act also may serve as application for State Water Quality Certification.

Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers' Public Notice No. **POA-2009-614, Norton Sound**, serves as application for State Water Quality Certification from the Department of Environmental Conservation.

After reviewing the application, the Department may certify there is reasonable assurance the activity, and any discharge that might result, will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. The Department also may deny or waive certification.

Any person desiring to comment on the project, with respect to Water Quality Certification, may submit written comments to the address above by the expiration date of the Corps of Engineer's Public Notice.

Mineral Estate Map (public)

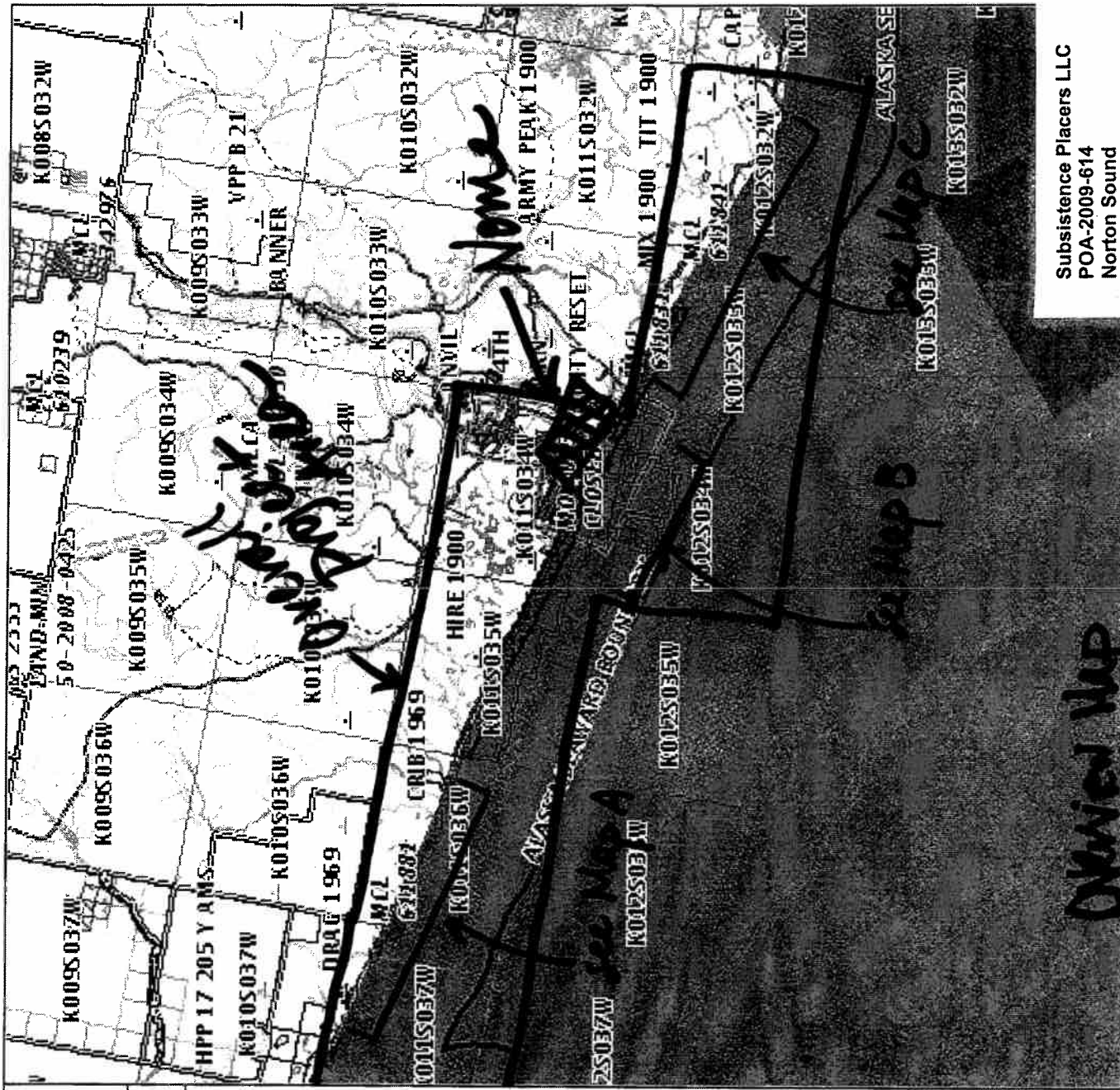
Alaska Mapper
NAD 83 Alaska Albers Equal Area

20,000 survey ft

- AREA**
- ☒ State Mining Claim
 - ☒ Prospecting Site
 - ☒ Mineral Permit or Lease
 - ☒ Mineral Order
 - ☒ Federal Order
 - ☒ Leasehold Location
 - ☒ Federal Mining Claim
 - ☒ Agency, State, Business
 - ☒ Agency, State, Business
 - ☒ Federal Action
 - ☒ Federal Action
 - ☒ Management Agreement
 - ☒ Management Agreement
 - ☒ Mineral Health Trust Land
 - ☒ National Allotment
 - ☒ Other State Acquired Land
 - ☒ Other State Acquired Land
 - ☒ State-Prized Land
 - ☒ State Test App or Patent
 - ☒ State Test App or Patent
 - ☒ City
 - ☒ City Boundary
 - ☒ Borough Boundary
 - ☒ Recording District
 - ☒ Alaska Standard Boundary
 - ☒ Alaska Standard Boundary
 - ☒ State Control Requirement
 - ☒ NGS Monument
 - ☒ Survey
 - ☒ Survey
 - ☒ Survey
 - ☒ Township
 - ☒ Township
 - ☒ U.S. Road 250,000
 - ☒ Highway
 - ☒ Water Road
 - ☒ Secondary Road
 - ☒ Airstrip
 - ☒ Airstrip
 - ☒ Trail
 - ☒ Pipeline
 - ☒ Trans-Alaska Pipeline
 - ☒ Railroad
 - ☒ Railroad
 - ☒ Telephone
 - ☒ Hydrography
 - ☒ Hydrography
 - ☒ Major Lakes
 - ☒ Major Lakes
 - ☒ Major Rivers
 - ☒ Major Rivers
 - ☒ Alaska Coast 63,340
 - ☒ Alaska Coast 63,340
 - ☒ World Outline



GRAPHIC ILLUSTRATION ONLY
SOURCE DOCUMENT REMAINS THE OFFICIAL RECORD.
Date Created: Friday, May 28, 2010



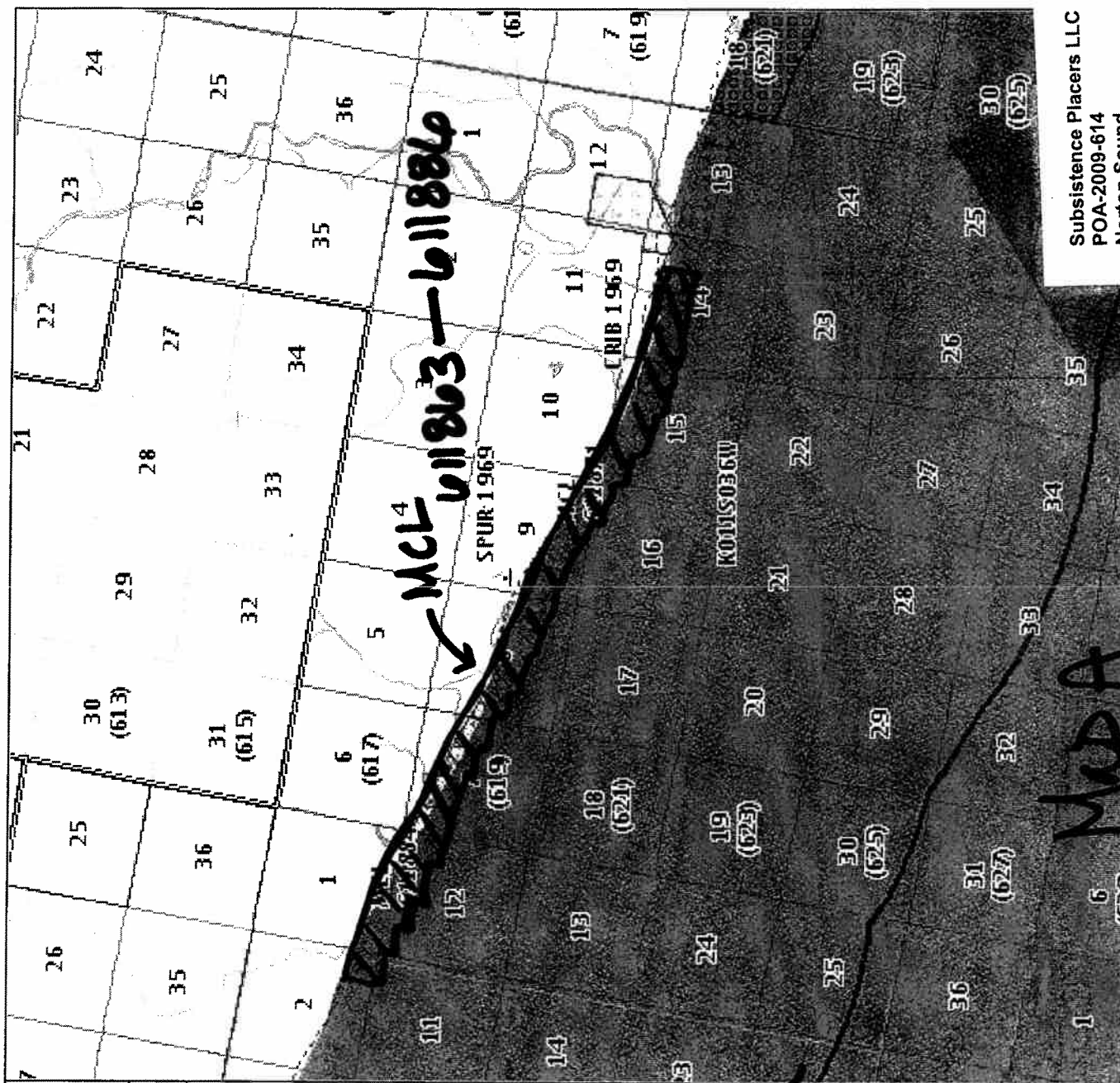
NAD 83 Alaska Albers Equal Area

10,000 survey ft

- [illegible]

VII = Proposed
Suction
Dredging

GRAPHIC ILLUSTRATION ONLY.
SOURCE DOCUMENT REMAINS THE OFFICIAL RECORD.
Date Created: Friday, May 28, 2010



Subsistence Placers LLC
POA-2009-614
Norton Sound
May 2010
Sheet 2 of 6

NAD 83 Alaska Albers Equal Area

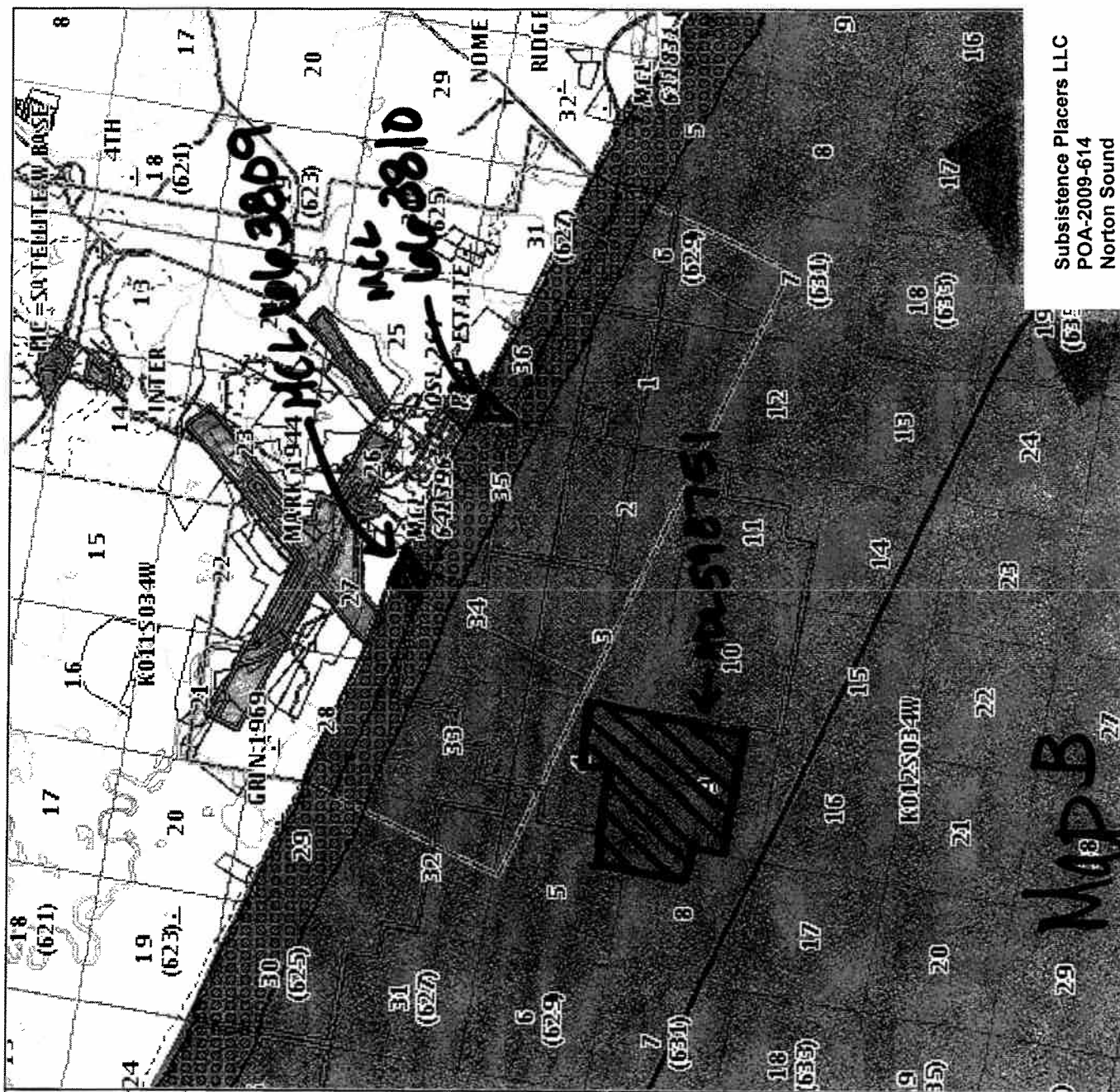
10,000 survey ft

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**☒ = Proposed
Suction
Dredging**



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Subsistence Placers LLC
POA-2009-614
Norton Sound
May 2010
Sheet 3 of 6

Mineral Estate Map (public)

Alaska Mapper

NAD 83 Alaska Albers Equal Area

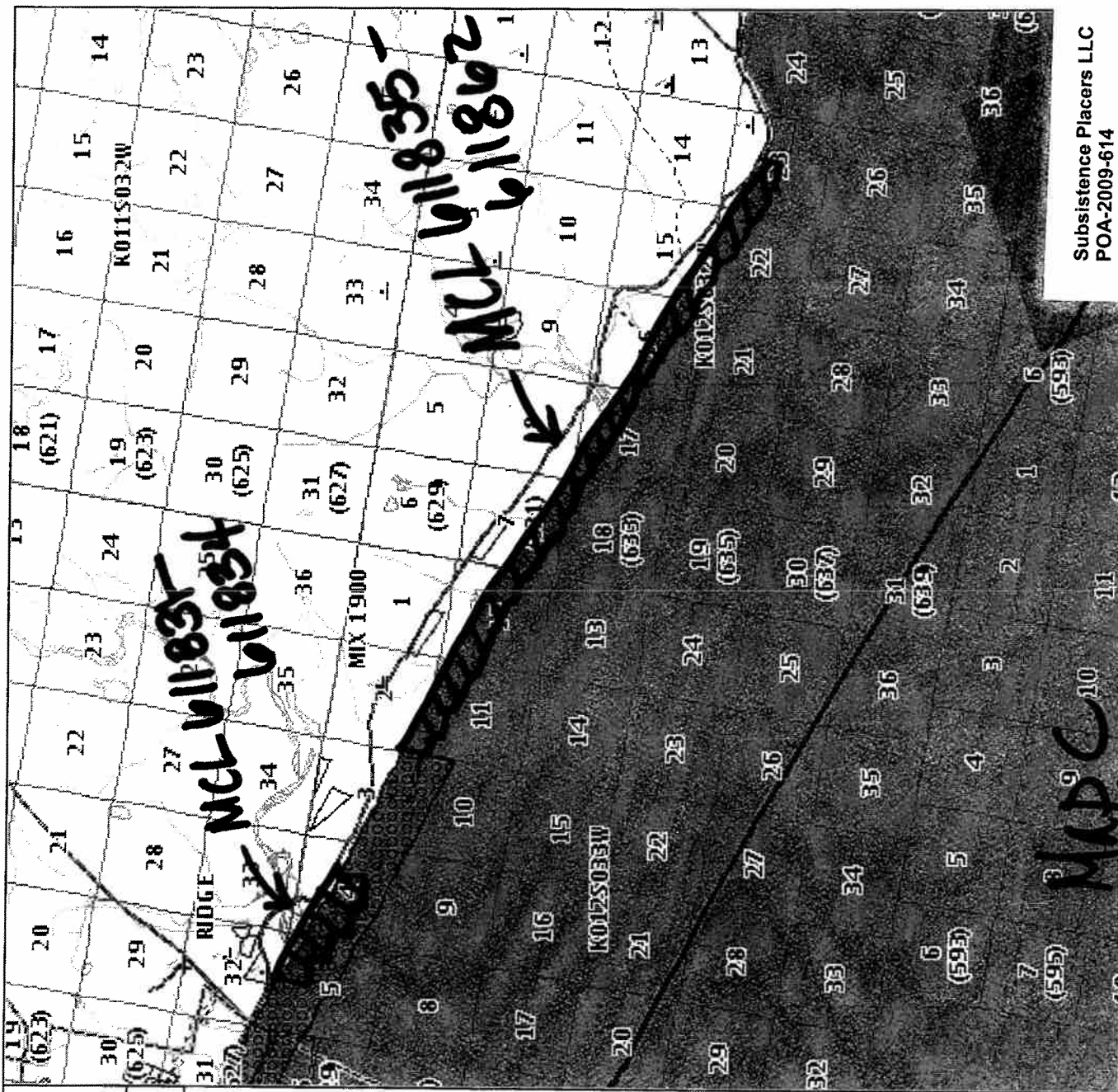
10,000 survey ft

- State Mining Claim
- Proprietary Site
- Mineral Permit or Lease
- Mineral Order
- Leasehold Location
- Federal Mining Claim
- Agency, Silent, Royalty
- Agency, Silent, Royalty
- Federal Action
- Management Agreement
- Management Agreement
- Private Health Trust Land
- Nation Allotment
- Other State Acquired Land
- State Acquired Land
- State Land App or Permit
- State Land App or Permit
- City Boundary
- County Boundary
- Ascending District
- Alaska Standard Boundary
- State Control Monument
- NGS Monument
- Survey
- Survey
- Township
- Section
- USGS Quad 250,000
- Highway
- Major Road
- Secondary Road
- Atrop
- Trail
- Pipeline
- Trans Alaska Pipeline
- Railroad
- Electrical
- Telephone
- Hydrography
- Major Lake
- Major River
- Minor River
- Alaska Coast 63,185
- Alaska Coast Shaded
- World Outline

PA = Proposed
Suction
Dredging



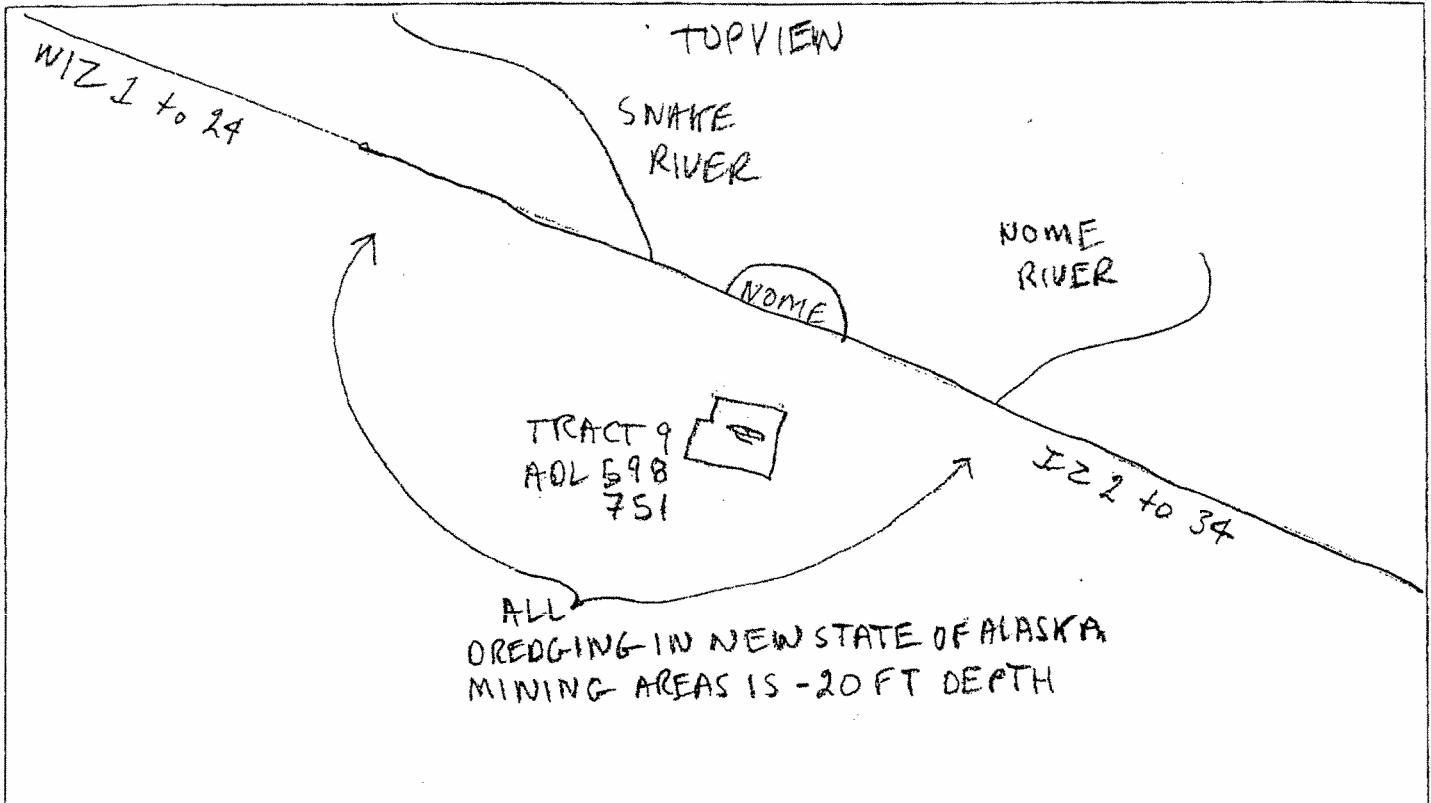
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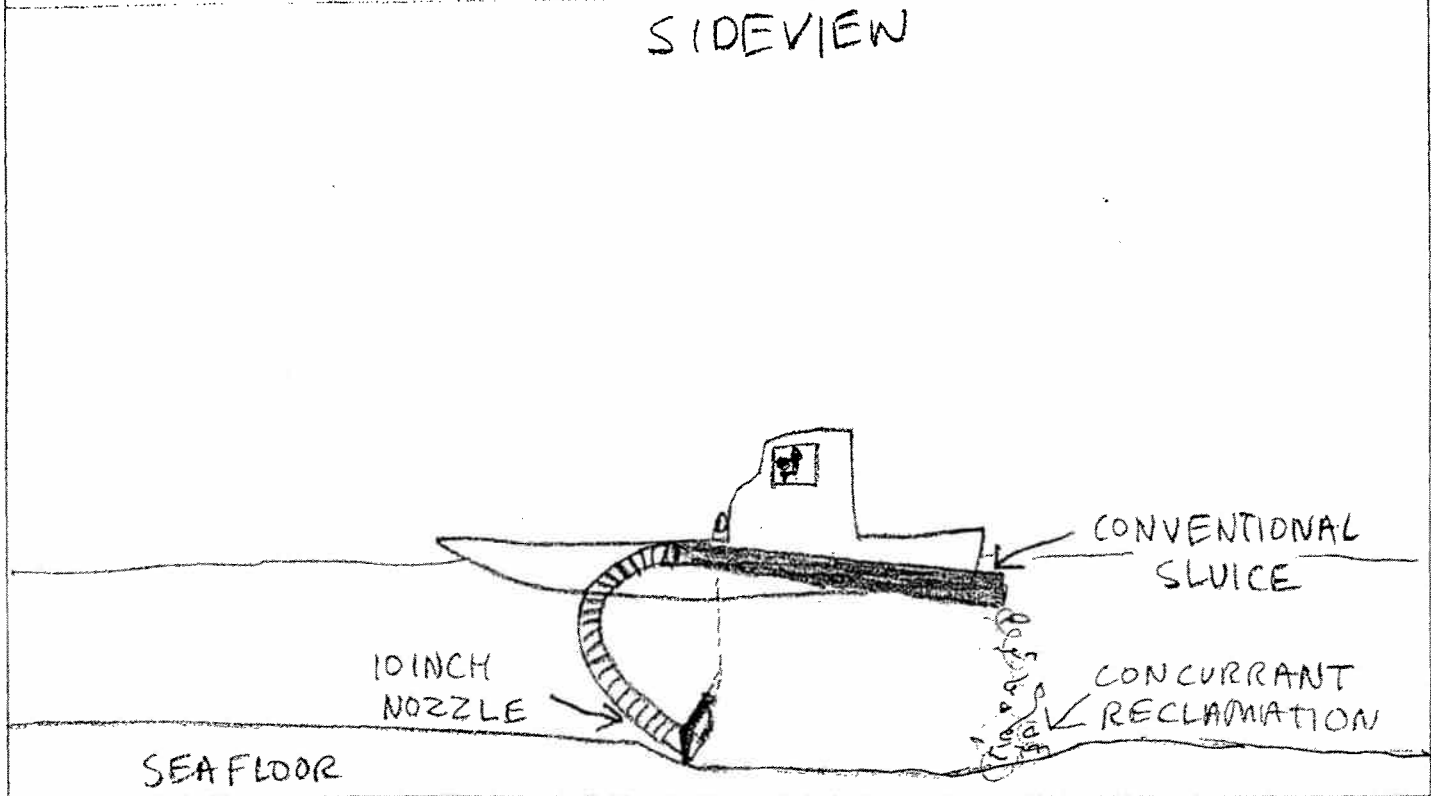
Subsistence Placers LLC
POA-2009-614
Norton Sound
May 2010
Sheet 4 of 6

PLAN MAP OF OPERATION

Q5)



SIDEVIEW



(Attach Additional Sheets, Along With Detailed Explanations As Necessary)

PLEASE REVIEW THE SKETCH SHEET CHECKLIST TO ENSURE THAT ALL REQUIRED ITEMS /

INCOMPLETE SKETCH SHEETS WILL CAUSE THE ENTIRE APMA T

Subsistence Placers LLC
POA-2009-614
Norton Sound
May 2010
Sheet 5 of 6

MINE PLAN NARRATIVE

MINING

SUCTION DREDGING WILL BE CONDUCTED IN THE NORTON SOUND, OFFSHORE OF NOME. THE 10 INCH INTAKE SUCTION NOZZLE WILL BE LOWERED OVER THE SIDES OF A 40 to 45 FT BOAT. IN ORDER TO ACHIEVE GRAVITY SEPARATION, THE MATERIAL WILL BE PASSED OVER A 4 FT WIDE X 18 FT LONG SLUICE TO RECOVER GOLD. THE SLUICE DISCHARGE WILL BE DEPOSITED INTO THE MINED CUT ON THE SEA FLOOR.

RECLAMATION

RECLAMATION WILL BE CONCURRENT WITH MINING.

ATTACHMENT TO:
SUBSISTENCE PLACERS LLC
2010 APMA